

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF ALABAMA  
NORTHERN DIVISION

2007 APR 13 A 9:15  
EMPLOYERS MUTUAL CASUALTY )  
COMPANY, an insurance company )  
incorporated in the State of Iowa )  
U.S. DISTRICT COURT  
MIDDLE DISTRICT ALA )

Plaintiff, )

V. )

SUMMERLIN CONSTRUCTION CO., )  
INC., STERLING HUDSON and )  
CHERI HUDSON. )

Defendants. )

CIVIL ACTION NUMBER

CV 2:07cv322-WHA

**COMPLAINT FOR DECLARATORY JUDGMENT**

**PARTIES AND JURISDICTIONAL ALLEGATIONS**

1. Plaintiff Employers Mutual Casualty Company ("EMCC") is an insurance company incorporated and organized under the laws of the State of Iowa, having its principal place of business in the State of Iowa.

2. Defendant Summerlin Construction Co., Inc. ("Summerlin") is an Alabama Company doing business in Alabama at all times material to this matter.

3. Defendant Sterling Hudson is an individual who is believed to be an Alabama citizen and is over the age of nineteen (19) years old.

4. Defendant Cheri Hudson is an individual who is believed to be an Alabama citizen and is over the age of nineteen (19) years old.

5. Defendant Summerlin is a defendant in an underlying matter pending in the Montgomery County Circuit Court, styled, Sterling and Cheri Hudson v. Summerlin Construction, et al, CV 06-3225 (“the underlying action”). Defendants Sterling and Cheri Hudson are plaintiffs in the underlying action.

6. The amount in controversy, exclusive of interest and costs, exceeds the sum of \$75,000.00. The underlying action arises out of the construction of the Hudson’s residence which the Hudsons allege is “literally ‘falling apart’”. (See the underlying complaint attached as Exhibit A).

7. The complaint in the underlying action generally asserts that on or about February 25, 2005 the Hudsons entered into a contract with Summerlin for the construction of a personal residence located at Lot 8, Block B of Sagestone at Taylor Lakes Development also known as 5806 Tiger Lily Circle. (See the underlying complaint attached as Exhibit A).

8. According to the complaint in the underlying action, the construction was completed in November 2005. (See the underlying complaint attached as Exhibit A).

9. According to the complaint in the underlying action, soon after moving into the residence the Hudsons noticed significant problems within the house and notified Mr. Summerlin of the problems. (See the underlying complaint attached as Exhibit A).

10. In the underlying action, the Hudsons are seeking compensatory damages to be assessed by a jury. (See the underlying complaint attached as Exhibit A).

11. Although the underlying complaint does not contain an ad damnum clause, the nature of the claims and allegations of damages, including punitive damages, demonstrate that the underlying plaintiff is claiming more than \$75,000.00 against the underlying defendants. As such, jurisdiction is predicated on diversity of citizenship and the amount in controversy, 28 U.S.C. §1332 and on the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201 and 2202.

#### UNDERLYING LAWSUIT

12. The underlying plaintiffs filed their complaint against Summerlin on or about December 29, 2006 in the Circuit Court of Montgomery County, Alabama, numbered CV 06-3225. (A copy of the complaint is attached as Exhibit A.)

13. The complaint in the underlying action asserts a claim of negligence and breach of contract against Summerlin. (See the underlying complaint attached as Exhibit A).

#### POLICY PROVISIONS

14. EMCC issued Commercial General Liability Policy Number 2D0-78-03-06 to Summerlin Construction Co, Inc. with effective dates January 1, 2005

through January 1, 2006. This Policy was renewed with effective dates of January 1, 2006 through January 1, 2007. (hereinafter "the Policy"). A true and correct copy of the Policy is attached to this Complaint as Exhibit B, and the provisions of the Policy are adopted and incorporated herein by reference.

### CLAIMS FOR RELIEF

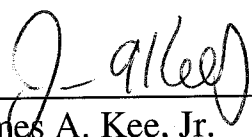
15. Based upon the foregoing facts and the attached policy, there presently exists a justiciable controversy as to whether coverage would exist as to the claims made by Sterling and Cheri Hudson in the underlying lawsuit against Summerlin and/or whether coverage would be excluded by Alabama case law and the applicable language in the subject policy.

16. EMCC desires to perform and discharge any duties which it may owe to the parties involved in this incident, but is presently in doubt as to the nature and extent of its obligations, if any, with respect to the policy in question. Absent a declaration of its rights and obligations, EMCC will be exposed to substantial and irreparable injury and uncertainty, all of which can be avoided by the declaration of its rights as requested herein.

17. EMCC respectfully requests that this Court assume jurisdiction over this cause and allow EMCC to determine all coverage issues as may exist under all the terms and provisions of the policy. EMCC prays that this Court will generally declare and define the following:

- a. That this Honorable Court take jurisdiction of this case;

- b. That this Honorable Court order, adjudge and decree that this is a proper cause for an action of declaratory judgment and that there is a bona fide controversy between the parties as to their legal rights, status and liability;
- c. That process of this Honorable Court be issued to the Defendants and that they be ordered to respond to this Complaint for Declaratory Judgment within the time required by law, or in the event of their failure to do so, suffer a decree by default; and
- d. That upon a final hearing of this case, this Honorable Court will declare whether EMCC owes a duty to defend and/or indemnify Summerlin in the underlying action under the Commercial General Liability Policy issued to Summerlin bearing Policy Number 2D0-78-03.
- e. EMCC also requests such further and different relief as may be appropriate to accomplish justice and equity among the parties.

  
\_\_\_\_\_  
James A. Kee, Jr.  
Cynthia A. Martin  
Attorneys for Plaintiff Employers Mutual  
Casualty Company

**OF COUNSEL:**

KEE & SELBY, L.L.P.  
1900 International Park Drive  
Suite 220  
Birmingham, Alabama 35243  
(205)968-9900 (phone)  
(205)968-9909 (fax)

**PLEASE SERVE DEFENDANTS BY CERTIFIED MAIL AT:**

Summerlin Construction Co., Inc.  
C/O Larry Summerlin  
5900 Monticello Drive  
Montgomery, Alabama 36117

Sterling Hudson  
5806 Tiger Lily Circle  
Montgomery, Alabama 36116-6532

Cheri Hudson  
5806 Tiger Lily Circle  
Montgomery, Alabama 36116-6532

# Exhibit A

**COPY****IN THE CIRCUIT COURT OF MONTGOMERY COUNTY, ALABAMA****STERLING & CHERI HUDSON**

Plaintiffs

vs.

**SUMMERLIN CONSTRUCTION,  
BARACHIAS, INC**And Fictitious Parties "A", "B"  
and "C" which are any and/or all  
persons, firms, corporations and  
associations involved in the development  
and Construction of Plaintiff's residence  
of Sagestone Development in  
Montgomery, AL  
Defendants

Case #

CY 06-3285

2007-03-29 01:10:03

FILED  
OFFICE OF  
CLERK OF  
COURT**COMPLAINT**

1. Sterling and Cheri Hudson are residents of Montgomery County, Alabama and are over the age of nineteen years.
2. SUMMERLIN CONSTRUCTION is a construction business owned and operated by Larry Summerlin, licensed by the State of Alabama to operate at 5900 Monticello Drive, Montgomery, Alabama.
3. BARACHIAS, INC. is a business licensed by the State of Alabama to operate at 5455 Troy Hwy., Montgomery, AL. 36116.
4. On or about February 25, 2005, Mr. and Mrs. Sterling Hudson signed a contract with Larry Summerlin to purchase a lot and have a home built on Lot #8, Block B of Sagestone at Taylor Lakes Development, also known as 5806 Tiger Lily Circle. The construction was completed in November, 2005. Mr. and Mrs. Hudson noticed significant problems within the house soon after moving into the residence and notified the builder of same. In March, 2006, an engineering report by Cooper Structural



Engineers, Inc. was completed and the results of the report were discussed with Mr. Summerlin. A subsequent engineering report was completed by Gordon Davis in October, 2006 indicating that the damages to the residence were becoming increasingly worse and that immediate attention was needed to the home.

5. Both the developers, Halstead Contractors and the builder, Summerlin Construction, have been contacted on numerous occasions for resolution of this matter, but to date, no reasonable repairs or solution have been presented.

#### **COUNT I NEGLIGENCE**

6. Plaintiffs, Sterling and Cheri Hudson, incorporates by reference and reallege all of the allegations contained in paragraphs 1 through 5, hereinabove, as specifically set forth herein.

7. SUMMERLIN CONSTRUCTION AND HALSTEAD CONTRACTORS failed to properly prepare the construction site and failed to use reasonable skill and diligence in ensuring that the Plaintiffs' house was constructed so as to be habitable. The negligence of these parties has caused the Plaintiff's great financial and emotional harm in that the house for which they have incurred great expense is literally "falling apart".

8. As a result of the negligence, the Hudsons have suffered and continue to suffer harm from the state of the residence that they are forced to live in.

#### **COUNT II BREACH OF CONTRACT**

9. Plaintiffs, Sterling and Cheri Hudson, incorporates by reference and reallege all of the allegations contained in paragraphs 1 through 8, hereinabove, as specifically set forth herein.

10. Defendants SUMMERLIN Construction has failed to uphold the terms of the contract wherein the defendant agreed to construct a home that met all of the industry standards and was therefore inhabitable at the least, and was of a value set forth in the contract itself.

WHEREFORE, plaintiffs Sterling and Cheri Hudson, by and through their attorney, respectfully demand judgment against the defendants, SUMMERLIN CONSTRUCTION AND HALSTEAD CONTRACTORS, INC., for a sum of compensatory damages as the same may be assessed by a jury in the trial of this cause, together with court costs.

Respectfully submitted this 27th day of December, 2006.

  
DEBORAH Q. HARDING (HAR 264)  
Attorney for Plaintiff

OF COUNSEL:  
HARDING & CLAUNCH, LLC  
2800 Zelda Road, Suite 100-9  
Montgomery, AL 36106  
334-356-6070

**PLAINTIFF DEMANDS TRIAL BY STRUCK JURY IN THIS CAUSE.**

  
DEBORAH Q. HARDING

# Exhibit B

## Part 1

## CERTIFICATION

I, Thomas C. O'Connell, Underwriting Manager, Employers Mutual Casualty Company, do hereby certify that the foregoing to which this certificate is attached is a true and correct copy of Policy 2D0 78 03--06 with amendments, which policy was issued January 1, 2005 to Summerlin Construction Co Inc.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of January 2007.

EMPLOYERS MUTUAL CASUALTY COMPANY

By: Thomas O'Connell  
Underwriting Manager

cf

EMPLOYERS MUTUAL CASUALTY COMPANY

PRIOR POLICY: 2D0-78-03

GENERAL LIABILITY DECLARATIONS

POLICY PERIOD: FROM 01/01/05 TO 01/01/06

\*-----\*  
\* POLICY NUMBER \*  
\* 2 D 0 - 7 8 - 0 3 ---06 \*  
\*-----\*

NAMED INSURED:

PRODUCER:

SUMMERLIN CONSTRUCTION CO INC  
5900 MONTICELLO DR  
MONTGOMERY AL 36117-1939

THOMPSON INSURANCE, INC.  
3300 GATSBY LN  
PO BOX 11408  
MONTGOMERY AL 36111-0408

DIRECT BILL

AGENT: AS-0532-7

AGENT PHONE: 334-277-8970

INSURED IS: CORPORATION

BUSINESS DESC: HOME BUILDER

LIMITS OF INSURANCE

EACH OCCURRENCE LIMIT

DAMAGE TO PREMISES RENTED TO YOU LIMIT

MEDICAL EXPENSE LIMIT

\$

\$

\$

ANY ONE PREMISES

ANY ONE PERSON

PERSONAL AND ADVERTISING INJURY LIMIT

\$

ANY ONE PERSON OR  
ORGANIZATION

GENERAL AGGREGATE LIMIT

\$

PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT

\$

COVERAGES PROVIDED

PREMIUM

PRODUCTS/COMPLETED OPERATIONS

\$

OTHER THAN PRODUCTS/COMPLETED OPERATIONS

\$

TOTAL ESTIMATED POLICY PREMIUM

\$

SEE ATTACHED SCHEDULE FOR LOCATION  
OF ALL PREMISES OWNED, RENTED OR OCCUPIED.

FORMS APPLICABLE:

CG0001(10/01), CG0062(12/02), CG0300(01/96), CG2143(01/96),  
CG2147(07/98), CG2150(09/89), CG2167(04/02), CG2170(11/02),  
CG2176(11/02), CG2404(10/93)\*, CG7001A(01/86)\*, CG7003(10/01),  
CG7185(08/99), CG7315(10/01), CG7422(08/00), CG7471(03/00),  
CG7480(10/00)\*, CG7523(03/02), CG8089(03/03), IL0017(11/98),  
IL0021(07/02), IL7028(08/99), IL7050(09/90)\*, IL7131A(04/01)\*,  
IL8383.2(09/04)\*, IL8384A(09/04)\*

Refer to prior distribution(s) for any forms not attached

AUDIT PERIOD: ANNUAL

DATE OF ISSUE: 12/27/04 BPP

FORM CG7000A ED. 08-99 BPP 10/13/04

055

VW

2D07803 0601

EMPLOYERS MUTUAL CASUALTY COMPANY

POLICY NUMBER: 2D0-78-03---06

SUMMERLIN CONSTRUCTION CO INC

EFF DATE: 01/01/05

EXP DATE: 01/01/06

GENERAL LIABILITY POLICY  
DECLARATIONS

ENDORSEMENT SCHEDULE

FORM	EDITION DATE	DESCRIPTION/ADDITIONAL INFORMATION	PREMIUM
CG0001	10-01	COMMERCIAL GEN LIABILITY COV FORM	
CG0062	12-02	WAR LIABILITY EXCLUSION	
CG0300	01-96	DEDUCTIBLE LIABILITY INSURANCE	
		APPLICATION OF ENDORSEMENT (LIMITATIONS):	
		NO LIMITATIONS	
CG2143	01-96	EXCL-EXPL, COLLAPSE, UNDRGRND SPEC OPS	
		DESC & LOC OF OPERATIONS/EXCLUDED HAZARD(S):	
		ANY OPERATIONS AT ALL LISTED LOCATIONS	
		UNDERGROUND PROPERTY DAMAGE	
CG2147	07-98	EXCL-EMPLOYMENT RELATED PRACTICES	
CG2150	09-89	AMENDMENT/LIQUOR LIABILITY EXCLUSION	
CG2167	04-02	FUNGI OR BACTERIA EXCLUSION	
CG2170	11-02	CAP/LOSSES FROM CERT ACTS/TERRORISM	
CG2176	11-02	EXCL PUNITIVE DMGS ACTS OF TERRORISM	
*CG2404	10-93	WAIVER/TRANSFER RIGHTS OF RECOVERY...	
		NAME OF PERSON OR ORGANIZATION:	
		JOHN A. BUETTNER/S. KENDALL DUNN	
		AS REQUIRED BY CONTRACT	
		4790 WOODMERE BLVD	
		MONTGOMERY, AL 36117	
*CG7001A	01-86	GENERAL LIABILITY SCHEDULE	
CG7003	10-01	GL QUICK REFERENCE (OCCURRENCE)	
CG7185	08-99	EXCLUSION - LEAD	
CG7315	10-01	CONTINUOUS OR PROGRESS INJ/DMG EXCL	
CG7422	08-00	EXCL INJ/DAMAGE FROM EARTH MOVEMENT	
CG7471	03-00	EXCL-DAMAGE TO WORK PERFORMED-SUBCON	
*CG7480	10-00	AI-OWN, LESSEE, CONTRACTOR/VICAR LIAB	
		NAME OF PERSON OR ORGANIZATION,	
		PROJECT AND LOCATION OF PROJECT:	
		JOHN A. BUETTNER/S. KENDALL DUNN	
		AS REQUIRED BY CONTRACT	
		4790 WOODMERE BLVD	
		MONTGOMERY, AL 36117	
CG7523	03-02	EXCLUSION - DESIGNATED WORK	
CG8089	03-03	NOTICE TO POLICYHOLDERS - WAR LIAB	
IL0017	11-98	COMMON POLICY CONDITIONS	
IL0021	07-02	NUCLEAR ENERGY LIAB EXCL/BROAD FORM	
IL7028	08-99	ASBESTOS EXCLUSION	
*IL7050	09-90	AUTOMATIC TERMINATION	
*IL7131A	04-01	COMM'L POLICY ENDORSEMENT SCHEDULE	
*IL8383.2	09-04	DISCLOSURE NOTICE OF TERRORISM COVG	
		PREMIUM THROUGH 12/31/05	\$
		PREMIUM BEYOND 12/31/05	WAIVED
*IL8384A	09-04	TERRORISM NOTICE	

DATE OF ISSUE: 12/27/04

FORM: IL7131A (ED. 04-01)

BPP

055

VW

2D07803 0601

EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMMERLIN CONSTRUCTION CO INC

POLICY NUMBER: 2D0-78-03---06  
EFF DATE: 01/01/05 EXP DATE: 01/01/06

T E R R O R I S M   N O T I C E

This insurance includes coverage for certified acts of terrorism as defined in the Terrorism Risk Insurance Act of 2002.

Attached you will find a disclosure, which identifies the specific charge for certified acts of terrorism.

YOU MAY HAVE THE OPTION TO REJECT THIS TERRORISM COVERAGE  
-----

For additional information, please contact your agent

DATE OF ISSUE: 12/27/04

FORM: IL8384A (09-04)

BPP

055

VW

2D07803 0601

EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMMERLIN CONSTRUCTION CO INC

POLICY NUMBER: 2D0-78-03---06  
EFF DATE: 01/01/05 EXP DATE: 01/01/06

This endorsement is attached to and made part of your policy in response to the disclosure requirements of the Terrorism Risk Insurance Act of 2002. This endorsement does not grant any coverage or change the terms and conditions of any coverage under the policy.

DISCLOSURE OF PREMIUM FOR  
CERTIFIED ACTS OF TERRORISM COVERAGE  
(PURSUANT TO TERRORISM RISK INSURANCE ACT OF 2002)

SCHEDULE

Terrorism Premium (Certified Acts)

- A. Premium through 12/31/05 \$60.00
  - B. Premium beyond 12/31/05 waived.
- (Refer to paragraph C. below)

A. Disclosure of premium:

In accordance with the Federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorism acts certified under that act. The portion of your premium attributable to such coverage is shown in the schedule of this endorsement or in the policy declarations.

B. Disclosure of federal participation in payment of terrorism losses:

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

C. Premium beyond 12/31/2005:

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act of 2002. The federal program established by the act is scheduled to terminate at the end of 12/31/05 unless extended by the federal government. If the federal program is extended, the premium shown in (B) of the schedule shall be attributable to coverage for terrorism acts certified under the act. If the federal program terminates, your policy will still contain coverage for acts of terrorism unless you have elected to exclude the coverage. The premium shown in (B) of the schedule shall be attributable to that coverage for terrorism.

THE FOLLOWING IS REQUIRED AS PART OF THE DISCLOSURE NOTICE IN MISSOURI: The premium above is for certain losses resulting from certified acts of terrorism as covered pursuant to coverage provisions, limitations and exclusions in this policy. You should read the definition in your policy carefully, but generally speaking, "certified" acts of terrorism are acts of foreign sponsorship that exceed \$5 million in aggregate losses to the insurance industry and which are subsequently declared by the U.S. Secretary of the Treasury as a certified terrorist act under the Terrorism Risk Insurance Act. Some losses resulting from certified acts of terrorism are not covered. Coverage for noncertified acts of terrorism may not be provided. A major example of "noncertified" acts of terrorism would be an act of terrorism committed by a domestic group. Read your policy and endorsements carefully.

Includes copyrighted material of ISO Properties, Inc. with its permission  
DATE OF ISSUE: 12/27/04

FORM: IL8383.2 (09-04)

BPP

055

VW

2D07803 0601



PAGE 2

EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMMERLIN CONSTRUCTION

EFF DATE: 01/01/05

POLICY NO: 2D0-78-03---06

EXP DATE: 01/01/06

GENERAL LIABILITY SCHEDULE  
(CONTINUED)

CODE NO./EXPOSURE/CLASSIFICATION	PRODUCTS/COMPL OPS		ALL OTHER	
	RATE	ADVANCE PREM	RATE	ADVANCE PREM
87559	!	!	!	!
CONTRACTOR - SUBCONTRACTED WORK:	!	!	!	!
RATED AS UNINSURED SUBCONTRACTORS	!	!	!	!
INCLUDING LABOR ONLY	!	!	!	!
PREMIUM BASIS:	!	!	!	!
THOUSANDS OF TOTAL COST	!	!	!	!
EXPOSURE: 138156	!	!	!	!
(SUBLINE 336/334)	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR OTHER THAN	!	!	!	!
PROD/COMPL OPS	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR PROD/COMPL OPS	!	!	!	!
87734	!	!	!	!
WAIVER OF TRANSFER OF RIGHTS OF	!	!	!	!
RECOVERY AGAINST OTHERS TO US -	!	!	!	!
FORM CG2404	!	!	!	!
PREMIUM BASIS:	!	!	!	!
FLT CHARGE	!	!	!	!
EXPOSURE: 1	!	!	!	!
(SUBLINE /334)	!	!	!	!
87763	!	!	!	!
ADDITIONAL INSURED-OWNERS, LESSEES	!	!	!	!
& CONTRACTORS-SCHEDULED PERSON OR	!	!	!	!
ORGANIZATION-VICARIOUS LIAB	!	!	!	!
PREMIUM BASIS:	!	!	!	!
FLT CHARGE	!	!	!	!
EXPOSURE: 1	!	!	!	!
(SUBLINE /334)	!	!	!	!
91342	!	!	!	!
CARPENTRY - NOC	!	!	!	!
PREMIUM BASIS:	!	!	!	!
THOUSANDS OF PAYROLL	!	!	!	!
EXPOSURE: 18636	!	!	!	!
(SUBLINE 336/334)	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR OTHER THAN	!	!	!	!
PROD/COMPL OPS	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR PROD/COMPL OPS	!	!	!	!

DATE OF ISSUE: 12/27/04 BPP

FORM CG7001A ED.01-86 BPP 10/13/04

055

VW

(CONTINUED)  
2D07803 0601

EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMMERLIN CONSTRUCTION

EFF DATE: 01/01/05

POLICY NO: 2D0-78-03---06

EXP DATE: 01/01/06

GENERAL LIABILITY SCHEDULE

CODE NO./EXPOSURE/CLASSIFICATION	PRODUCTS/COMPL OPS		ALL OTHER	
	RATE	ADVANCE PREM	RATE	ADVANCE PREM
LOCATION 001	!	!	!	!
61217	!	!	!	!
BLDGS OR PREM - BANK OR OFFICE-	!	!	!	!
MERCANTILE OR MFG.-MAINT BY INSURED!	!	!	!	!
(LESSOR'S RISK ONLY) (1) (4)	!	!	!	!
PREMIUM BASIS:	!	!	!	!
THOUSANDS OF AREA	!	!	!	!
EXPOSURE: 3500	!	!	!	!
(SUBLINE /334)	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM UNLESS LIMITATION	!	!	!	!
SHOWN ON THE ENDORSEMENT SCHEDULE	!	!	!	!
87557	!	!	!	!
CONTRACTOR - SUBCONTRACTED WORK:	!	!	!	!
RATED AS INSURED SUBCONTRACTORS	!	!	!	!
PREMIUM BASIS:	!	!	!	!
THOUSANDS OF TOTAL COST	!	!	!	!
EXPOSURE: 83338	!	!	!	!
(SUBLINE 336/334)	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR OTHER THAN	!	!	!	!
PROD/COMPL OPS	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR PROD/COMPL OPS	!	!	!	!
87558	!	!	!	!
CONTRACTOR - SUBCONTRACTED WORK:	!	!	!	!
RATED AS UNINSURED SUBCONTRACTORS	!	!	!	!
INCLUDING LABOR AND MATERIALS	!	!	!	!
PREMIUM BASIS:	!	!	!	!
THOUSANDS OF TOTAL COST	!	!	!	!
EXPOSURE: 136202	!	!	!	!
(SUBLINE 336/334)	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR OTHER THAN	!	!	!	!
PROD/COMPL OPS	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR PROD/COMPL OPS	!	!	!	!

DATE OF ISSUE: 12/27/04 BPP

FORM CG7001A ED.01-86 BPP 10/13/04

055

VW

(CONTINUED)

2D07803 0601

PAGE 3

EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMMERLIN CONSTRUCTION

EFF DATE: 01/01/05

POLICY NO: 2D0-78-03---06

EXP DATE: 01/01/06

GENERAL LIABILITY SCHEDULE  
(CONTINUED)

CODE NO./EXPOSURE/CLASSIFICATION	PRODUCTS/COMPL OPS		ALL OTHER	
	RATE	ADVANCE PREM	RATE	ADVANCE PREM
92338				
DRY WALL OR WALLBOARD	!	!	!	!
INSTALLATION	!	!	!	!
PREMIUM BASIS:	!	!	!	!
THOUSANDS OF PAYROLL	!	!	!	!
EXPOSURE: IF ANY	!	!	!	!
(SUBLINE 336/334)	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR OTHER THAN	!	!	!	!
PROD/COMPL OPS	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR PROD/COMPL OPS	!	!	!	!

PREMIUM FOR CERTIFIED ACTS OF TERRORISM \$  
TOTAL ESTIMATED POLICY PREMIUM \$

- (1) OTHER THAN NOT FOR PROFIT (2) NOT FOR PROFIT  
(3) INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS UNLESS OTHERWISE EXCLUDED  
(4) PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT  
(5) A \$250 PD DEDUCTIBLE PER CLAIM APPLIES TO CUSTOMERS AUTOS UNLESS OTHERWISE DESIGNATED BY THIS CLASSIFICATION CODE  
(6) FOR SPRAY PAINTING OPERATIONS, A PD DEDUCTIBLE OF \$250 PER CLAIM APPLIES UNLESS OTHERWISE DESIGNATED BY THIS CLASSIFICATION CODE

LOCATION OF ALL PREMISES OWNED, RENTED OR OCCUPIED:

RATED LOCATIONS:

LOC 001 5900 MONTICELLO DRIVE  
MONTGOMERY, AL 36117

DATE OF ISSUE: 12/27/04 BPP

FORM CG7001A ED.01-86 BPP 10/13/04

055

VW

2D07803 0601

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION –  
VICARIOUS LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name of Person or Organization:

Project:

Location of Project:

**SEE POLICY DEC  
AND SCHEDULE**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person or organization shown in the Schedule, subject to the following provisions:

1. This insurance applies only to the extent that you are held liable for your ongoing operations performed for the additional insured shown in the Schedule.
2. This insurance does not apply to any "bodily injury" or "property damage" resulting from any act or omission by, or willful misconduct of the additional insured shown in the Schedule, whether the sole or a contributing cause of the loss. The coverage afforded to the additional insured is limited solely to the additional insured's "vicarious liability" that is a specific and direct result of your conduct.

**B.** With respect to the insurance afforded to this additional insured, the following exclusion is added:

**2. Exclusions**

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or
- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

**C.** "Vicarious liability" as used in this endorsement means liability that is imposed on the additional insured solely by virtue of its relationship with you, and not due to any act or omission of the additional insured.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 24 04 10 93

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name of Person or Organization:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 03 00 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DEDUCTIBLE LIABILITY INSURANCE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE****Coverage****Amount and Basis of Deductible  
PER CLAIM or PER OCCURRENCE**

Bodily Injury Liability

OR

Property Damage Liability

OR

Bodily Injury Liability and/or

Property Damage Liability Combined

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**APPLICATION OF ENDORSEMENT** (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.

B. You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:

1. **PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:

a. Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";

b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or

c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:

(1) "Bodily injury";

(2) "Property damage"; or

(3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence".

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage", person includes an organization.

**2. PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- Under Property Damage Liability Coverage, to all damages because of "property damage"; or
- Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:

(1) "Bodily injury";

(2) "Property damage"; or

(3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

**C. The terms of this insurance, including those with respect to:**

1. Our right and duty to defend the insured against any "suits" seeking those damages; and

2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

**D. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.**



**COMMERCIAL GENERAL LIABILITY**  
CG 00 01 10 01

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERAGES

#### COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.



- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids; or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### **g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;

- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

#### **j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a side-track agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a sub-contractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

**COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
  - (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance ; and
  - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

### b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

### c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

### e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

### g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

### h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

### i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

### j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

### k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.



**I. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**COVERAGE C MEDICAL PAYMENTS****1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;

- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while taking part in athletics.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**h. War**

Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.

- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All costs taxed against the insured in the "suit".
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- These payments will not reduce the limits of insurance.
- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
    - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
    - b. This insurance applies to such liability assumed by the insured;
    - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
    - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - (1) Agrees in writing to:
    - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (c) Notify any other insurer whose coverage is available to the indemnitee; and
    - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (2) Provides us with written authorization to:
    - (a) Obtain records and other information related to the "suit"; and
    - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

**SECTION II – WHO IS AN INSURED****1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:**

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

**(1) "Bodily injury" or "personal and advertising injury":**

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

- (d) Arising out of his or her providing or failing to provide professional health care services.

**(2) "Property damage" to property:**

- (a) Owned, occupied or used by,

- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and

- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

- 3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.



4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage **C**;
  - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

#### 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

#### b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

#### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### 7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### 8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

#### SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
- c. All other parts of the world if the injury or damage arises out of:
  - (1) Goods or products made or sold by you in the territory described in a. above;
  - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
  - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
  - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - (1) Power cranes, shovels, loaders, diggers or drills; or
    - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - (2) Cherry pickers and similar devices used to raise or lower workers;
  - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
 

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

    - (1) Equipment designed primarily for:
      - (a) Snow removal;
      - (b) Road maintenance, but not construction or resurfacing; or
      - (c) Street cleaning;
    - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your "advertisement"; or
  - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".



15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.**

**22. "Your work":**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions.

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION — INJURY OR DAMAGE FROM  
EARTH MOVEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury," "property damage," "personal injury" and "advertising injury" (or "personal and advertising injury" if defined as such in your policy) arising out of, caused by, resulting from, contributed to, aggravated by, or related to earthquake, landslide, mudflow, subsidence, settling, slipping, falling away, shrinking, expansion, caving in, shifting, eroding, rising, tilting or any other movement of land, earth or mud.



## GENERAL LIABILITY

**NOTICE TO POLICYHOLDERS  
WAR LIABILITY EXCLUSION**

This notice has been prepared in conjunction with the implementation of changes to your policy. It contains a brief synopsis of any significant restrictions of coverage that were made in each policy form and endorsement. No coverage is provided by this summary nor does it replace any provision of your policy. If there is any conflict between the policy and this notice THE PROVISIONS OF THE POLICY SHALL PREVAIL.

The endorsements below replace the current war exclusion to expand beyond contractually assumed liabilities and medical payments or introduce a war exclusion in forms which did not contain one.

Please read your policy, and the endorsements attached to your policy, carefully.

**CG 00 62 12 02 – War Liability Exclusion (Commercial General Liability Coverage Part)**

When this endorsement is attached to your policy, coverage is restricted to exclude bodily injury, property damage, or personal and advertising injury, however caused, arising, directly or indirectly, out of:

- war, including undeclared or civil war;
- warlike action by a military force; or
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

A specific Medical Payments Exclusion is no longer needed in the policy due to the fact that they are now subject to Exclusion g. of paragraph 2. Exclusions of Section I-Coverage C-Medical Payments, which are now excluded under Coverage A.

**CG 00 63 12 02 – War Liability Exclusion (Owners and Contractors Protective Liability Coverage Part and Products/Completed Operations Liability Coverage Part)**

When this endorsement is attached to your policy, coverage is restricted to exclude bodily injury or property damage, however caused, arising, directly or indirectly, out of:

- war, including undeclared or civil war;
- warlike action by a military force; or
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**CG 00 64 12 02 – War Liability Exclusion (Liquor Liability Coverage Part, Pollution Liability Coverage Part, Railroad Protective Liability Coverage Part, and Underground Storage Tank Policy)**

When this endorsement is attached to your policy, a war exclusion is added to exclude injury or damage, however caused, arising, directly or indirectly, out of:

- war, including undeclared or civil war;
- warlike action by a military force; or
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**QUICK REFERENCE**  
**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**CLAIMS MADE COVERAGE**

**READ YOUR POLICY CAREFULLY**

**DECLARATIONS PAGES**

Named Insured and Mailing Address  
Policy Period  
Description of Business and Location  
Coverages and Limits of Insurance

**SECTION I – COVERAGES**

	<b>Beginning on Page</b>
Coverage A – Insuring Agreement.....	1
Bodily Injury and Property Damage Liability Exclusions.....	1
Coverage B – Insuring Agreement.....	5
Personal and Advertising Injury Liability Exclusions.....	5
Coverage C – Insuring Agreement.....	6
Medical Payments Exclusions.....	7
Supplementary Payments.....	7

**SECTION II – WHO IS AN INSURED..... 8**

**SECTION III – LIMITS OF INSURANCE..... 9**

**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS..... 10**

Bankruptcy.....	10
Duties in The Event of Occurrence, Offense, Claim or Suit.....	10
Legal Action Against Us.....	10
Other Insurance.....	10
Premium Audit.....	11
Representations.....	11
Separation of Insureds.....	11
Transfer of Rights of Recovery Against Others To Us.....	11
When We Do Not Renew.....	11
Your Right To Claim and "Occurrence" Information.....	12

**SECTION V – EXTENDED REPORTING PERIODS..... 12**

**SECTION IV – DEFINITIONS..... 13**

**COMMON POLICY CONDITIONS**

Cancellation  
Changes  
Examination of Your Books and Records  
Inspections and Surveys  
Premiums  
Transfer of Your Rights and Duties under this Policy

**ENDORSEMENTS (If Any)**

COMMERCIAL GENERAL LIABILITY  
CG 00 62 12 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion i. under Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

**2. Exclusions**

This insurance does not apply to:

**WAR**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

- C. Exclusion h. under Paragraph 2., Exclusions of Section I – Coverage C – Medical Payments does not apply. Medical payments due to war are now subject to Exclusion g. of Paragraph 2., Exclusions of Section I – Coverage C – Medical Payments since "bodily injury" arising out of war is now excluded under Coverage A.

COMMERCIAL GENERAL LIABILITY  
CG 21 47 07 98

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF LIQUOR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Exclusion c. of COVERAGE A (Section I) is replaced by the following:

- c. "Bodily injury" or "property damage" for which any insured may be held liable by reason of:
- (1) Causing or contributing to the intoxication of any person;
  - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
  - (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
  - (a) Requires a license;
  - (b) Is for the purpose of financial gain or livelihood; or
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

COMMERCIAL GENERAL LIABILITY  
CG 21 67 12 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2. Exclusions of Section I ☐ Coverage A ☐ Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

**B. The following exclusion is added to Paragraph 2. Exclusions of Section I ☐ Coverage B ☐ Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi Or Bacteria**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

**C. The following definition is added to the Definitions Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

COMMERCIAL GENERAL LIABILITY  
CG 21 70 11 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.



COMMERCIAL GENERAL LIABILITY  
CG 21 76 11 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

**B. The following definition is added:**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION — LEAD**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following exclusion is added to Paragraph 2., Exclusions of Coverage A — Bodily Injury and Property Damage Liability (Section I — Coverages) and Paragraph 2., Exclusions of Coverage B — Personal and Advertising Injury Liability (Section I — Coverages).

This insurance does not apply to:

1. "Bodily injury," "property damage," or "personal injury and advertising injury" which would not have occurred in whole or part but for the actual, alleged or threatened ingestion, inhalation, absorption of, exposure to, or presence of lead at any time.
2. Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, abate, remove, monitor, clean up, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of lead; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, abating, cleaning up, removing, containing, treating, monitoring, detoxifying or neutralizing or in any way responding to or assessing the effects of lead.

Lead means lead in any form, whether in combination with, an ingredient of, or as a component of any substance or material.

All other terms, conditions, exclusions and provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Part apply unless modified by this endorsement.

**A. Section I – Coverages, Subparagraph 2. Exclusions, of Coverage A – Bodily Injury Property Damage Liability** is amended to add the following:

**p. Exclusion for “Bodily Injury” or “Property Damage” Which Commences Prior to Inception of Policy**

This insurance does not apply to any “bodily injury” or “property damage” which was in progress as of the inception date of this policy or which commenced, or which is alleged to have occurred, prior to the inception or effective date of this policy, whether such “bodily injury” or “property damage” is known, unknown or should have been known by any “insured.” We have no duty to defend any “suit” or claim alleging such “bodily injury” or “property damage.”

This exclusion applies regardless of whether any “bodily injury” or “property damage” which commenced prior to the inception or effective date of this policy or which is, or is alleged to be occurring as of the inception of this policy, continues or progressively deteriorates during or after this policy period.

**B. For the purposes of this endorsement only, the following Definitions have been added or modified as indicated below:**

**1. Section V – Definitions, Subparagraph 9.f. of “Insured Contract”** is amended by adding the following:

**(4)** That provides indemnity and/or defense of any person or organization for their sole negligence or regardless of fault.

**2. Section V – Definitions, Subparagraph 13.** is deleted and replaced by the following:

**13.** “Occurrence” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. However, this definition does not include any occurrence which commenced prior to the effective date of this policy.

**3. Section V – Definitions,** is amended by adding the following:

“Insured” means any person or organization qualifying as an insured under **Section II — Who Is An Insured** in the Coverage Part along with any additional named insureds and/or additional insureds whether by endorsement, under an “insured contract” or otherwise and all other parties seeking insured status.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – DESIGNATED WORK**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **SCHEDULE**

**Description of your work:**

1. The design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of an "exterior insulation and finish system" (commonly referred to as synthetic stucco) or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system.
2. Any work or operations with respect to any exterior component, fixture or feature of any structure in an "exterior insulation and finish system" is used on any part of that structure.

This exclusion applies to "your work" described in Paragraph 1. or Paragraph 2. above performed by you or on your behalf.

For the purposes of this endorsement, an "exterior insulation and finish system" means an exterior cladding or finish system used on any part of any structure and consisting of:

- (a) A rigid or semi-rigid insulation board made of expanded polystyrene or other materials, and
- (b) The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate, and
- (c) A reinforced base coat, and
- (d) A finish coat providing surface texture and color.

This insurance does not apply to "bodily injury" or "property damage" included in the "products/completed operations hazard" and arising out of "your work" shown in the Schedule.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IL 00 21 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

IL 00 21 07 02

© ISO Properties, Inc., 2001

Page 1 of 2 □

## 2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ASBESTOS EXCLUSION**

This endorsement modifies insurance provided under the following:

Businessowners Liability Coverage Form  
Commercial General Liability Coverage Part  
Pollution Liability Coverage Part  
Products/Completed Operations Liability Coverage Part

The policy does not apply to "bodily injury," "personal injury" (or "personal and advertising injury" if defined as such in your policy) or "property damage" (including any associated clean-up obligations) arising out of the installation, existence, removal, or disposal of asbestos or any substance containing asbestos fibers.

GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION - DAMAGE TO WORK PERFORMED BY  
SUBCONTRACTORS ON YOUR BEHALF**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Exclusion I. of **Section I. – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**I. Damage To Your Work**

“Property damage” to “your work” arising out of it or any part of it and included in the “products-completed operations hazard”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION - EXPLOSION, COLLAPSE AND UNDERGROUND PROPERTY DAMAGE HAZARD (SPECIFIED OPERATIONS EXCEPTED)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Location & Description  
Operations

SCHEDULE

Covered Hazard(s)

SEE POLICY DEC  
AND SCHEDULE

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. The following exclusion is added to paragraph 2., Exclusions in Section I - Coverages:**

This insurance does not apply to "property damage" arising out of the "explosion hazard", the "collapse hazard" or the "underground property damage hazard".

This exclusion does not apply to:

- Operations performed for you by others;
- "Property damage" included within the "products-completed operations hazard"; or
- Any operation described in the Schedule above, if any of these hazards is entered as a covered hazard.

**B. The following definitions are added to the DEFINITIONS Section:**

- "Collapse hazard" includes "structural property damage" and any resulting "property damage" to any other property at any time.
- "Explosion hazard" includes "property damage" arising out of blasting or explosion. The "explosion hazard" does not include "property damage" arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment.

- "Structural property damage" means the collapse of or structural injury to any building or structure due to:

- Grading of land, excavating, borrowing, filling, back-filling, tunnelling, pile driving, cofferdam work or caisson work; or
- Moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support of that building or structure.

- "Underground property damage hazard" includes "underground property damage" and any resulting "property damage" to any other property at any time.

- "Underground property damage" means "property damage" to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus used with them beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, borrowing, filling, back-filling or pile driving.

COMMERCIAL INTERLINE

## **AUTOMATIC TERMINATION ENDORSEMENT**

The billing statement for this policy has been sent directly to you for payment. Failure to pay the required premium amount by the due date means that you have not accepted our offer of coverage and this policy will cease as of the effective date.

# Exhibit B

## Part 2

## CERTIFICATION

I, Thomas C. O'Connell, Underwriting Manager, Employers Mutual Casualty Company, do hereby certify that the foregoing to which this certificate is attached is a true and correct copy of Policy 2D0 78 03--07 with amendments, which policy was issued January 1, 2006 to Summerlin Construction Co Inc.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of January 2007.

EMPLOYERS MUTUAL CASUALTY COMPANY

By: Thomas O'Connell  
Underwriting Manager

cf

EMPLOYERS MUTUAL CASUALTY COMPANY

CHANGE ENDORSEMENT

POLICY PERIOD: FROM 01/01/06 TO 01/01/07

\*-----\*  
\* POLICY NUMBER \*  
\* 2 D C - 7 8 - 0 3 ---07 \*  
\*-----\*

NAMED INSURED:

PRODUCER:

SUMMERLIN CONSTRUCTION CO INC  
5900 MONTICELLO DR  
MONTGOMERY AL 36117-1939

THOMPSON INSURANCE, INC.  
3300 GATSBY LN  
PO BOX 11408  
MONTGOMERY AL 36111-0408

DIRECT BILL

AGENT: AS-0532-7  
AGENT PHONE: 334-277-8970

THIS ENDORSEMENT CHANGES THE POLICY.  
PLEASE READ IT CAREFULLY.

\*-----\*  
\* ENDORSEMENT EFFECTIVE DATES: 02/03/06 TO 01/01/07 \*  
\*-----\*

IN CONSIDERATION OF THE ADDITIONAL PREMIUM SHOWN, IT IS HEREBY UNDERSTOOD  
AND AGREED THAT THE FOLLOWING ADDITIONAL INSURED IS ADDED TO THIS POLICY IN  
ACCORDANCE WITH IL7131A AND FORM CG7480:

COBB PROPERTIES, LLC

-----  
-----  
ADDITIONAL PREMIUM: \$  
-----  
-----

AUDIT FREQUENCY: ANNUAL

PLACE OF ISSUE: BIRMINGHAM, AL

DATE OF ISSUE: 02/08/06

FORM: IL1201A (ED. 01-86)

COUNTERSIGNED BY:

BPP

055

CL

(CONTINUED)

2D07803 0702



EMPLOYERS MUTUAL CASUALTY COMPANY

POLICY NUMBER: 2D0-78-03---07

SUMMERLIN CONSTRUCTION CO INC

EFF DATE: 02/03/06

EXP DATE: 01/01/07

GENERAL LIABILITY POLICY  
DECLARATIONS

ENDORSEMENT SCHEDULE

FORM	EDITION DATE	DESCRIPTION/ADDITIONAL INFORMATION	PREMIUM
CG0001	10-01	COMMERCIAL GEN LIABILITY COV FORM	
CG0062	12-02	WAR LIABILITY EXCLUSION	
CG0300	01-96	DEDUCTIBLE LIABILITY INSURANCE	
		APPLICATION OF ENDORSEMENT (LIMITATIONS):	
		NO LIMITATIONS	
CG2143	01-96	EXCL-EXPL, COLLAPSE, UNDRGRND SPEC OPS	
		DESC & LOC OF OPERATIONS/EXCLUDED HAZARD(S):	
		ANY OPERATIONS AT ALL LISTED LOCATIONS	
		UNDERGROUND PROPERTY DAMAGE	
CG2147	07-98	EXCL-EMPLOYMENT RELATED PRACTICES	
CG2150	09-89	AMENDMENT/LIQUOR LIABILITY EXCLUSION	
CG2167	04-02	FUNGI OR BACTERIA EXCLUSION	
CG2170	11-02	CAP/LOSSES FROM CERT ACTS/TERRORISM	
CG2176	11-02	EXCL PUNITIVE DMGS ACTS OF TERRORISM	
CG2404	10-93	WAIVER/TRANSFER RIGHTS OF RECOVERY..	
		NAME OF PERSON OR ORGANIZATION:	
		JOHN A. BUETTNER/S. KENDALL DUNN	
		AS REQUIRED BY CONTRACT	
		4790 WOODMERE BLVD	
		MONTGOMERY, AL 36117	
*CG7001A	01-86	GENERAL LIABILITY SCHEDULE	
CG7003	10-01	GL QUICK REFERENCE (OCCURRENCE)	
CG7185	08-99	EXCLUSION - LEAD	
CG7315	10-01	CONTINUOUS OR PROGRESS INJ/DMG EXCL	
CG7422	08-00	EXCL INJ/DAMAGE FROM EARTH MOVEMENT	
CG7471	03-00	EXCL-DAMAGE TO WORK PERFORMED-SUBCON	
CG7430	10-00	AI-OWN, LESSEE, CONTRACTOR/VICAR LIAB	
		NAME OF PERSON OR ORGANIZATION,	
		PROJECT AND LOCATION OF PROJECT:	
		JOHN A. BUETTNER/S. KENDALL DUNN	
		AS REQUIRED BY CONTRACT	
		4790 WOODMERE BLVD	
		MONTGOMERY, AL 36117	
		COBB PROPERTIES, LLC	
		P.O. BOX 241573	
		MONTGOMERY, AL 36124	
CG7523	03-02	EXCLUSION - DESIGNATED WORK	
IL0017	11-98	COMMON POLICY CONDITIONS	
IL0021	07-02	NUCLEAR ENERGY LIAB EXCL/BROAD FORM	
IL7028	08-99	ASBESTOS EXCLUSION	
IL7050	03-90	AUTOMATIC TERMINATION	
*IL7131A	04-01	COMM'L POLICY ENDORSEMENT SCHEDULE	
IL8383.2	09-04	DISCLOSURE NOTICE OF TERRORISM COVG	
		PREMIUM THROUGH 12/31/05	
		PREMIUM BEYOND 12/31/05	
IL8384A	09-04	TERRORISM NOTICE	\$

WAIVED

DATE OF ISSUE: 02/08/06

FORM: IL7131A (ED. 04-01)

BPP

055

CL

2D07803 0702

EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMMERLIN CONSTRUCTION

EFF DATE: 02/03/06

POLICY NO: 2D0-78-03---07

EXP DATE: 01/01/07

GENERAL LIABILITY SCHEDULE

CODE NO./EXPOSURE/CLASSIFICATION	PRODUCTS/COMPL OPS		ALL OTHER	
	RATE	ADVANCE PREM	RATE	ADVANCE PREM
LOCATION 001	!	!	!	!
87763	!	!	!	!
ADDITIONAL INSURED-OWNERS, LESSEES	!	!	!	!
& CONTRACTORS-SCHEDULED PERSON OR	!	!	!	!
ORGANIZATION-VICARIOUS LIAB	!	!	!	!
PREMIUM BASIS:	!	!	!	!
FLT CHARGE	!	!	!	!
EXPOSURE: 2	!	!	!	!
(SUBLINE /334)	!	!	!	!

TOTAL PREMIUM FOR CHANGES \$

- (1) OTHER THAN NOT FOR PROFIT (2) NOT FOR PROFIT
- (3) INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS UNLESS OTHERWISE EXCLUDED
- (4) PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT
- (5) A \$250 PD DEDUCTIBLE PER CLAIM APPLIES TO CUSTOMERS AUTOS UNLESS OTHERWISE DESIGNATED BY THIS CLASSIFICATION CODE
- (6) FOR SPRAY PAINTING OPERATIONS, A PD DEDUCTIBLE OF \$250 PER CLAIM APPLIES UNLESS OTHERWISE DESIGNATED BY THIS CLASSIFICATION CODE

LOCATION OF ALL PREMISES OWNED, RENTED OR OCCUPIED:

RATED LOCATIONS:

LOC 001 5900 MONTICELLO DRIVE  
MONTGOMERY, AL 36117

DATE OF ISSUE: 02/08/06 BPP

FORM CG7001A ED.01-86 BPP

10/06/05

055

CL

2D07803 0702

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION –  
VICARIOUS LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name of Person or Organization:

Project:

Location of Project:

**SEE POLICY DEC  
AND SCHEDULE**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person or organization shown in the Schedule, subject to the following provisions:

1. This insurance applies only to the extent that you are held liable for your ongoing operations performed for the additional insured shown in the Schedule.
2. This insurance does not apply to any "bodily injury" or "property damage" resulting from any act or omission by, or willful misconduct of the additional insured shown in the Schedule, whether the sole or a contributing cause of the loss. The coverage afforded to the additional insured is limited solely to the additional insured's "vicarious liability" that is a specific and direct result of your conduct.

**B.** With respect to the insurance afforded to this additional insured, the following exclusion is added:

**2. Exclusions**

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or

- (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

**C.** "Vicarious liability" as used in this endorsement means liability that is imposed on the additional insured solely by virtue of its relationship with you, and not due to any act or omission of the additional insured.

EMPLOYERS MUTUAL CASUALTY COMPANY

PRIOR POLICY: 2D0-78-03

GENERAL LIABILITY DECLARATIONS

POLICY PERIOD: FROM 01/01/06 TO 01/01/07

\*-----\*  
\* POLICY NUMBER \*  
\* 2 D 0 - 7 8 - 0 3 ---07 \*  
\*-----\*

NAMED INSURED:

PRODUCER:

SUMMERLIN CONSTRUCTION CO INC  
5900 MONTICELLO DR  
MONTGOMERY AL 36117-1939

THOMPSON INSURANCE, INC.  
3300 GATSBY LN  
PO BOX 11408  
MONTGOMERY AL 36111-0408

DIRECT BILL

AGENT: AS-0532-7

AGENT PHONE: 334-277-8970

INSURED IS: CORPORATION

BUSINESS DESC: HOME BUILDER

LIMITS OF INSURANCE

EACH OCCURRENCE LIMIT	\$	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$	ANY ONE PREMISES
MEDICAL EXPENSE LIMIT	\$	ANY ONE PERSON
PERSONAL AND ADVERTISING INJURY LIMIT	\$	ANY ONE PERSON OR ORGANIZATION
GENERAL AGGREGATE LIMIT	\$	
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$	

COVERAGES PROVIDED

PREMIUM

PRODUCTS/COMPLETED OPERATIONS	\$
OTHER THAN PRODUCTS/COMPLETED OPERATIONS	\$
TOTAL ESTIMATED POLICY PREMIUM	\$

SEE ATTACHED SCHEDULE FOR LOCATION  
OF ALL PREMISES OWNED, RENTED OR OCCUPIED.

FORMS APPLICABLE:

CG0001(10/01), CG0062(12/02), CG0300(01/96), CG2143(01/96),  
CG2147(07/98), CG2150(09/89), CG2167(04/02), CG2170(11/02),  
CG2176(11/02), CG2404(10/93), CG7001A(01/86)\*, CG7003(10/01),  
CG7185(08/99), CG7315(10/01), CG7422(08/00), CG7471(03/00),  
CG7480(10/00)\*, CG7523(03/02), IL0017(11/98), IL0021(07/02),  
IL7028(08/99), IL7050(09/90)\*, IL7131A(04/01)\*, IL8383.2(09/04),  
IL2384A(09/04)

Refer to prior distribution(s) for any forms not attached

AUDIT PERIOD: ANNUAL

DATE OF ISSUE: 01/17/06 BPP

FORM CG7000A ED. 08-99 BPP 10/06/05 055

CL

2D07803 0701

EMPLOYERS MUTUAL CASUALTY COMPANY

POLICY NUMBER: 2D0-78-03---07

SUMMERLIN CONSTRUCTION CO INC

EFF DATE: 01/01/06

EXP DATE: 01/01/07

GENERAL LIABILITY POLICY  
DECLARATIONS

ENDORSEMENT SCHEDULE

FORM	EDITION DATE	DESCRIPTION/ADDITIONAL INFORMATION	PREMIUM
CG0001	10-01	COMMERCIAL GEN LIABILITY COV FORM	
CG0062	12-02	WAR LIABILITY EXCLUSION	
CG0300	01-96	DEDUCTIBLE LIABILITY INSURANCE	
		APPLICATION OF ENDORSEMENT (LIMITATIONS): NO LIMITATIONS	
CG2143	01-96	EXCL-EXPL, COLLAPSE, UNDRGRND SPEC OPS DESC & LOC OF OPERATIONS/EXCLUDED HAZARD(S): ANY OPERATIONS AT ALL LISTED LOCATIONS UNDERGROUND PROPERTY DAMAGE	
CG2147	07-98	EXCL-EMPLOYMENT RELATED PRACTICES	
CG2150	09-89	AMENDMENT/LIQUOR LIABILITY EXCLUSION	
CG2167	04-02	FUNGI OR BACTERIA EXCLUSION	
CG2170	11-02	CAP/LOSSES FROM CERT ACTS/TERRORISM	
CG2176	11-02	EXCL PUNITIVE DMGS ACTS OF TERRORISM	
CG2404	10-93	WAIVER/TRANSFER RIGHTS OF RECOVERY.. NAME OF PERSON OR ORGANIZATION: JOHN A. BUETTNER/S. KENDALL DUNN AS REQUIRED BY CONTRACT 4790 WOODMERE BLVD MONTGOMERY, AL 36117	
*CG7001A	01-86	GENERAL LIABILITY SCHEDULE	
CG7003	10-01	GL QUICK REFERENCE (OCCURRENCE)	
CG7185	08-99	EXCLUSION - LEAD	
CG7315	10-01	CONTINUOUS OR PROGRESS INJ/DMG EXCL	
CG7422	08-00	EXCL INJ/DAMAGE FROM EARTH MOVEMENT	
CG7471	03-00	EXCL-DAMAGE TO WORK PERFORMED-SUBCON	
*CG7480	10-00	AI-OWN, LESSEE, CONTRACTOR/VICAR LIAB NAME OF PERSON OR ORGANIZATION, PROJECT AND LOCATION OF PROJECT: JOHN A. BUETTNER/S. KENDALL DUNN AS REQUIRED BY CONTRACT 4790 WOODMERE BLVD MONTGOMERY, AL 36117	
CG7523	03-02	EXCLUSION - DESIGNATED WORK	
IL0017	11-93	COMMON POLICY CONDITIONS	
IL0021	07-02	NUCLEAR ENERGY LIAB EXCL/BROAD FORM	
IL7028	08-99	ASBESTOS EXCLUSION	
*IL7050	09-90	AUTOMATIC TERMINATION	
*IL7131A	04-01	COMM'L POLICY ENDORSEMENT SCHEDULE	
IL8383.2	09-04	DISCLOSURE NOTICE OF TERRORISM COVG PREMIUM THROUGH 12/31/05 PREMIUM BEYOND 12/31/05	WAIVED \$
IL8384A	09-04	TERRORISM NOTICE	

DATE OF ISSUE: 01/17/06

FORM: IL7131A (ED. 04-01)

BPP

055

CL

2D07803 0701



EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMNERLIN CONSTRUCTION CO INC

POLICY NUMBER: 2D0-78-03---07  
EFF DATE: 01/01/06 EXP DATE: 01/01/07

This endorsement is attached to and made part of your policy in response to the disclosure requirements of the Terrorism Risk Insurance Act of 2002. This endorsement does not grant any coverage or change the terms and conditions of any coverage under the policy.

DISCLOSURE OF PREMIUM FOR  
CERTIFIED ACTS OF TERRORISM COVERAGE  
(PURSUANT TO TERRORISM RISK INSURANCE ACT OF 2002)

SCHEDULE

Terrorism Premium (Certified Acts)

A. Premium through 12/31/05 waived.

B. Premium beyond 12/31/05 \$60.00

(Refer to paragraph C. below)

A. Disclosure of premium:

In accordance with the Federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorism acts certified under that act. The portion of your premium attributable to such coverage is shown in the schedule of this endorsement or in the policy declarations.

B. Disclosure of federal participation in payment of terrorism losses:

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

C. Premium beyond 12/31/2005:

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act of 2002. The federal program established by the act is scheduled to terminate at the end of 12/31/05 unless extended by the federal government. If the federal program is extended, the premium shown in (B) of the schedule shall be attributable to coverage for terrorism acts certified under the act. If the federal program terminates, your policy will still contain coverage for acts of terrorism unless you have elected to exclude the coverage. The premium shown in (B) of the schedule shall be attributable to that coverage for terrorism.

THE FOLLOWING IS REQUIRED AS PART OF THE DISCLOSURE NOTICE IN MISSOURI: The premium above is for certain losses resulting from certified acts of terrorism as covered pursuant to coverage provisions, limitations and exclusions in this policy. You should read the definition in your policy carefully, but generally speaking, "certified" acts of terrorism are acts of foreign sponsorship that exceed \$5 million in aggregate losses to the insurance industry and which are subsequently declared by the U.S. Secretary of the Treasury as a certified terrorist act under the Terrorism Risk Insurance Act. Some losses resulting from certified acts of terrorism are not covered. Coverage for noncertified acts of terrorism may not be provided. A major example of "noncertified" acts of terrorism would be an act of terrorism committed by a domestic group. Read your policy and endorsements carefully.

Includes copyrighted material of ISO Properties, Inc. with its permission  
DATE OF ISSUE: 01/17/06

FORM: IL8383.2 (09-04)

BPP

055

CL

2D07803 0701

EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMMERLIN CONSTRUCTION CO INC

POLICY NUMBER: 2D0-78-03---07  
EFF DATE: 01/01/06 EXP DATE: 01/01/07

T E R R O R I S M   N O T I C E

This insurance includes coverage for certified acts of terrorism as defined in the Terrorism Risk Insurance Act of 2002.

Attached you will find a disclosure, which identifies the specific charge for certified acts of terrorism.

YOU MAY HAVE THE OPTION TO REJECT THIS TERRORISM COVERAGE  
-----

For additional information, please contact your agent

DATE OF ISSUE: 01/17/06

FORM: IL8384A (09-04)

BPP

055

CL

2D07803 0701



PAGE 2

EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMMERLIN CONSTRUCTION

EFF DATE: 01/01/06

POLICY NO: 2D0-78-03---07  
EXP DATE: 01/01/07

GENERAL LIABILITY SCHEDULE  
(CONTINUED)

CODE NO./EXPOSURE/CLASSIFICATION	PRODUCTS/COMPL OPS	ALL OTHER
RATE	ADVANCE PREM	RATE ADVANCE PREM
87559		
CONTRACTOR - SUBCONTRACTED WORK:	!	!
RATED AS UNINSURED SUBCONTRACTORS	!	!
INCLUDING LABOR ONLY	!	!
PREMIUM BASIS:	!	!
THOUSANDS OF TOTAL COST	!	!
EXPOSURE: 138156	!	!
(SUBLINE 336/334)	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!
PER CLAIM FOR OTHER THAN	!	!
PROD/COMPL OPS	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!
PER CLAIM FOR PROD/COMPL OPS	!	!
87734		!
WAIVER OF TRANSFER OF RIGHTS OF	!	!
RECOVERY AGAINST OTHERS TO US -	!	!
FORM CG2404	!	!
PREMIUM BASIS:	!	!
FLT CHARGE	!	!
EXPOSURE: 1	!	!
(SUBLINE /334)	!	!
87763		!
ADDITIONAL INSURED-OWNERS, LESSEES	!	!
& CONTRACTORS-SCHEDULED PERSON OR	!	!
ORGANIZATION-VICARIOUS LIAB	!	!
PREMIUM BASIS:	!	!
FLT CHARGE	!	!
EXPOSURE: 1	!	!
(SUBLINE /334)	!	!
91342		
CARPENTRY - NOC	!	!
PREMIUM BASIS:	!	!
THOUSANDS OF PAYROLL	!	!
EXPOSURE: 18636	!	!
(SUBLINE 336/334)	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!
PER CLAIM FOR OTHER THAN	!	!
PROD/COMPL OPS	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!
PER CLAIM FOR PROD/COMPL OPS	!	!

DATE OF ISSUE: 01/17/06 BPP

FORM CG7001A ED.01-86 BPP 10/06/05

055

CL

(CONTINUED)

2D07803 0701



PAGE 2

EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMMERLIN CONSTRUCTION

EFF DATE: 01/01/06

POLICY NO: 2D0-78-03---07

EXP DATE: 01/01/07

GENERAL LIABILITY SCHEDULE  
(CONTINUED)

CODE NO./EXPOSURE/CLASSIFICATION	PRODUCTS/COMPL OPS RATE	ADVANCE PREM	ALL OTHER RATE	ADVANCE PREM
87559				
CONTRACTOR - SUBCONTRACTED WORK:	!	!	!	!
RATED AS UNINSURED SUBCONTRACTORS	!	!	!	!
INCLUDING LABOR ONLY	!	!	!	!
PREMIUM BASIS:	!	!	!	!
THOUSANDS OF TOTAL COST	!	!	!	!
EXPOSURE: 138156	!	!	!	!
(SUBLINE 336/334)	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR OTHER THAN	!	!	!	!
PROD/COMPL OPS	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR PROD/COMPL OPS	!	!	!	!
87734				!
WAIVER OF TRANSFER OF RIGHTS OF	!	!	!	!
RECOVERY AGAINST OTHERS TO US -	!	!	!	!
FORM CG2404	!	!	!	!
PREMIUM BASIS:	!	!	!	!
FLT CHARGE	!	!	!	!
EXPOSURE: 1	!	!	!	!
(SUBLINE /334)	!	!	!	!
87763				!
ADDITIONAL INSURED-OWNERS, LESSEES	!	!	!	!
& CONTRACTORS-SCHEDULED PERSON OR	!	!	!	!
ORGANIZATION-VICARIOUS LIAB	!	!	!	!
PREMIUM BASIS:	!	!	!	!
FLT CHARGE	!	!	!	!
EXPOSURE: 1	!	!	!	!
(SUBLINE /334)	!	!	!	!
91342				!
CARPENTRY - NOC	!	!	!	!
PREMIUM BASIS:	!	!	!	!
THOUSANDS OF PAYROLL	!	!	!	!
EXPOSURE: 18636	!	!	!	!
(SUBLINE 336/334)	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR OTHER THAN	!	!	!	!
PROD/COMPL OPS	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR PROD/COMPL OPS	!	!	!	!

DATE OF ISSUE: 01/17/06 BPP

(CONTINUED)

FORM CG7001A ED.01-86 BPP 10/06/05

055

CL

2D07803 0701

EMC Insurance Companies

PAGE 3

EMPLOYERS MUTUAL CASUALTY COMPANY  
SUMMERLIN CONSTRUCTION

EFF DATE: 01/01/06

POLICY NO: 2D0-78-03---07

EXP DATE: 01/01/07

GENERAL LIABILITY SCHEDULE  
(CONTINUED)

CODE NO./EXPOSURE/CLASSIFICATION	PRODUCTS/COMPL OPS		ALL OTHER	
	RATE	ADVANCE PREM	RATE	ADVANCE PREM
92338				
DRY WALL OR WALLBOARD	!	!	!	!
INSTALLATION	!	!	!	!
PREMIUM BASIS:	!	!	!	!
THOUSANDS OF PAYROLL	!	!	!	!
EXPOSURE: IF ANY	!	!	!	!
(SUBLINE 336/334)	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR OTHER THAN	!	!	!	!
PROD/COMPL OPS	!	!	!	!
\$ 1000 DEDUCTIBLE APPLIES TO PD	!	!	!	!
PER CLAIM FOR PROD/COMPL OPS	!	!	!	!

PREMIUM FOR CERTIFIED ACTS OF TERRORISM \$  
TOTAL ESTIMATED POLICY PREMIUM \$

- (1) OTHER THAN NOT FOR PROFIT (2) NOT FOR PROFIT  
(3) INCLUDING PRODUCTS AND/OR COMPLETED OPERATIONS UNLESS OTHERWISE EXCLUDED  
(4) PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT  
(5) A \$250 PD DEDUCTIBLE PER CLAIM APPLIES TO CUSTOMERS AUTOS UNLESS OTHERWISE DESIGNATED BY THIS CLASSIFICATION CODE  
(6) FOR SPRAY PAINTING OPERATIONS, A PD DEDUCTIBLE OF \$250 PER CLAIM APPLIES UNLESS OTHERWISE DESIGNATED BY THIS CLASSIFICATION CODE

LOCATION OF ALL PREMISES OWNED, RENTED OR OCCUPIED:

RATED LOCATIONS:

LOC 001 5900 MONTICELLO DRIVE  
MONTGOMERY, AL 36117

DATE OF ISSUE: 01/17/06 BPP

FORM CG7001A ED.01-86 BPP

10/06/05

055

CL

2D07803 0701

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - EXPLOSION, COLLAPSE AND  
UNDERGROUND PROPERTY DAMAGE HAZARD  
(SPECIFIED OPERATIONS EXCEPTED)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Location & Description  
Operations

**SCHEDULE**

Covered Hazard(s)

**SEE POLICY DEC  
AND SCHEDULE**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. The following exclusion is added to paragraph 2., Exclusions in Section I - Coverages:

This insurance does not apply to "property damage" arising out of the "explosion hazard", the "collapse hazard" or the "underground property damage hazard".

This exclusion does not apply to:

- Operations performed for you by others;
  - "Property damage" included within the "products-completed operations hazard"; or
  - Any operation described in the Schedule above, if any of these hazards is entered as a covered hazard.
- B. The following definitions are added to the DEFINITIONS Section:
- "Collapse hazard" includes "structural property damage" and any resulting "property damage" to any other property at any time.
  - "Explosion hazard" includes "property damage" arising out of blasting or explosion. The "explosion hazard" does not include "property damage" arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment.

3. "Structural property damage" means the collapse of or structural injury to any building or structure due to:

a. Grading of land, excavating, borrowing, filling, back-filling, tunnelling, pile driving, cofferdam work or caisson work; or

b. Moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support of that building or structure.

4. "Underground property damage hazard" includes "underground property damage" and any resulting "property damage" to any other property at any time.

5. "Underground property damage" means "property damage" to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus used with them beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, borrowing, filling, back-filling or pile driving.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 24 04 10 93

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

**SEE POLICY DEC  
AND SCHEDULE**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV - COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 03 00 01 96**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****DEDUCTIBLE LIABILITY INSURANCE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**SCHEDULE****Coverage****Amount and Basis of Deductible**  
**PER CLAIM or PER OCCURRENCE**

Bodily Injury Liability

OR

Property Damage Liability

OR

Bodily Injury Liability and/or

Property Damage Liability Combined

**SEE POLICY DEC  
AND SCHEDULE**

\$

\$

\$

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**APPLICATION OF ENDORSEMENT** (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.

B. You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:

1. **PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:

a. Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";

b. Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or

c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:

(1) "Bodily injury";

(2) "Property damage"; or

(3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence".

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage", person includes an organization.



**2. PER OCCURRENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
- c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:

(1) "Bodily injury";

(2) "Property damage"; or

(3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

**C.** The terms of this insurance, including those with respect to:

1. Our right and duty to defend the insured against any "suits" seeking those damages; and

2. Your duties in the event of an "occurrence", claim, or "suit"

apply irrespective of the application of the deductible amount.

**D.** We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.



COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION –  
VICARIOUS LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name of Person or Organization:

Project:

Location of Project:

**SEE POLICY DEC  
AND SCHEDULE**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person or organization shown in the Schedule, subject to the following provisions:

1. This insurance applies only to the extent that you are held liable for your ongoing operations performed for the additional insured shown in the Schedule.
2. This insurance does not apply to any "bodily injury" or "property damage" resulting from any act or omission by, or willful misconduct of the additional insured shown in the Schedule, whether the sole or a contributing cause of the loss. The coverage afforded to the additional insured is limited solely to the additional insured's "vicarious liability" that is a specific and direct result of your conduct.

**B.** With respect to the insurance afforded to this additional insured, the following exclusion is added:

**2. Exclusions**

This insurance does not apply to "bodily injury" or "property damage" occurring after:

- (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or
  - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- C.** "Vicarious liability" as used in this endorsement means liability that is imposed on the additional insured solely by virtue of its relationship with you, and not due to any act or omission of the additional insured.

**QUICK REFERENCE**  
**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**OCCURRENCE COVERAGE**

**READ YOUR POLICY CAREFULLY**

**DECLARATIONS PAGES**

Named Insured and Mailing Address  
Policy Period  
Description of Business and Location  
Coverages and Limits of Insurance

**SECTION I – COVERAGES**

	<b>Beginning on Page</b>
Coverage A – Insuring Agreement.....	1
Bodily Injury and Property Damage Liability Exclusions.....	2
Coverage B – Insuring Agreement.....	5
Personal and Advertising Injury Liability Exclusions.....	6
Coverage C – Insuring Agreement.....	7
Medical Payments Exclusions.....	7
Supplementary Payments.....	7
<b>SECTION II – WHO IS AN INSURED.....</b>	<b>9</b>
<b>SECTION III – LIMITS OF INSURANCE.....</b>	<b>10</b>
<b>SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS.....</b>	<b>10</b>
Bankruptcy.....	10
Duties in The Event of Occurrence, Offense, Claim or Suit.....	10
Legal Action Against Us.....	11
Other Insurance.....	11
Premium Audit.....	12
Representations.....	12
Separation of Insureds.....	12
Transfer of Rights of Recovery Against Others To Us.....	12
When We Do Not Renew.....	12
<b>SECTION V – DEFINITIONS.....</b>	<b>12</b>

**COMMON POLICY CONDITIONS**

Cancellation  
Changes  
Examination of Your Books and Records  
Inspections and Surveys  
Premiums  
Transfer of Your Rights and Duties under this Policy

**ENDORSEMENTS (If Any)**

COMMERCIAL GENERAL LIABILITY  
CG 00 01 10 01**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

**SECTION I – COVERAGES****COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (2) The "bodily injury" or "property damage" occurs during the policy period; and
  - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".



- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;

- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a side-track agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a sub-contractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

**COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
  - (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance ; and
  - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.



No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages **A** and **B**.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

### b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

### c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

### e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

### g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

### h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

### i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

### j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

### k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**i. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**COVERAGE C MEDICAL PAYMENTS****1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
 provided that:
  - (1) The accident takes place in the "coverage territory" and during the policy period;
  - (2) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;

- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while taking part in athletics.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**h. War**

Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.

- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All costs taxed against the insured in the "suit".
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- These payments will not reduce the limits of insurance.
- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
    - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
    - b. This insurance applies to such liability assumed by the insured;
    - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
    - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
    - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
    - f. The indemnitee:
      - (1) Agrees in writing to:
        - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
        - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
        - (c) Notify any other insurer whose coverage is available to the indemnitee; and
        - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
      - (2) Provides us with written authorization to:
        - (a) Obtain records and other information related to the "suit"; and
        - (b) Conduct and control the defense of the indemnitee in such "suit".
- So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.
- Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:
- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
  - b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

**SECTION II – WHO IS AN INSURED****1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:**

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

**(1) "Bodily injury" or "personal and advertising injury":**

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

- (d) Arising out of his or her providing or failing to provide professional health care services.

**(2) "Property damage" to property:**

- (a) Owned, occupied or used by,

- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and

- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

**3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:**

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
  - a. Medical expenses under Coverage **C**;
  - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

#### 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.



- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

#### b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I – Coverage A – Bodily Injury And Property Damage Liability.**
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**SECTION V – DEFINITIONS**

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".



3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in a. above;
    - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

  - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
  - b. Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
  - (a) When all of the work called for in your contract has been completed.
  - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
  - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes**

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2)** The providing of or failure to provide warnings or instructions.
- c.** Does not include vending machines or other property rented to or located for the use of others but not sold.

**22. "Your work":**

**a. Means:**

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes**

- (1)** Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2)** The providing of or failure to provide warnings or instructions.

COMMERCIAL GENERAL LIABILITY  
CG 00 62 12 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WAR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. Exclusion i. under Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:**

#### **2. Exclusions**

This insurance does not apply to:

##### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or**
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or**
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.**

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

#### **2. Exclusions**

This insurance does not apply to:

##### **WAR**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or**
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or**
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.**
- C. Exclusion h. under Paragraph 2., Exclusions of Section I – Coverage C – Medical Payments does not apply. Medical payments due to war are now subject to Exclusion g. of Paragraph 2., Exclusions of Section I – Coverage C – Medical Payments since "bodily injury" arising out of war is now excluded under Coverage A.**

COMMERCIAL GENERAL LIABILITY  
CG 21 47 07 98

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.



COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF LIQUOR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Exclusion c. of COVERAGE A (Section I) is replaced by the following:

- c. "Bodily injury" or "property damage" for which any insured may be held liable by reason of:
- (1) Causing or contributing to the intoxication of any person;
  - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
  - (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
  - (a) Requires a license;
  - (b) Is for the purpose of financial gain or livelihood; or
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.



COMMERCIAL GENERAL LIABILITY  
CG 21 67 04 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of **Section I – Coverage A – Bodily Injury And Property Damage Liability**:

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

- B. The following exclusion is added to Paragraph 2., Exclusions of **Section I – Coverage B – Personal And Advertising Injury Liability**:

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

COMMERCIAL GENERAL LIABILITY  
CG 21 70 11 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

**B. The following definition is added:**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION — LEAD**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following exclusion is added to Paragraph 2., Exclusions of Coverage A — Bodily Injury and Property Damage Liability (Section I — Coverages) and Paragraph 2., Exclusions of Coverage B — Personal and Advertising Injury Liability (Section I — Coverages).

This insurance does not apply to:

1. "Bodily injury," "property damage," or "personal injury and advertising injury" which would not have occurred in whole or part but for the actual, alleged or threatened ingestion, inhalation, absorption of, exposure to, or presence of lead at any time.
2. Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, abate, remove, monitor, clean up, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of lead; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, abating, cleaning up, removing, containing, treating, monitoring, detoxifying or neutralizing or in any way responding to or assessing the effects of lead.

Lead means lead in any form, whether in combination with, an ingredient of, or as a component of any substance or material.

All other terms, conditions, exclusions and provisions of the policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Part apply unless modified by this endorsement.

A. **Section I – Coverages, Subparagraph 2. Exclusions, of Coverage A – Bodily Injury Property Damage Liability** is amended to add the following:

p. **Exclusion for “Bodily Injury” or “Property Damage” Which Commences Prior to Inception of Policy**

This insurance does not apply to any “bodily injury” or “property damage” which was in progress as of the inception date of this policy or which commenced, or which is alleged to have occurred, prior to the inception or effective date of this policy, whether such “bodily injury” or “property damage” is known, unknown or should have been known by any “insured.” We have no duty to defend any “suit” or claim alleging such “bodily injury” or “property damage.”

This exclusion applies regardless of whether any “bodily injury” or “property damage” which commenced prior to the inception or effective date of this policy or which is, or is alleged to be occurring as of the inception of this policy, continues or progressively deteriorates during or after this policy period.

B. For the purposes of this endorsement only, the following **Definitions** have been added or modified as indicated below:

1. **Section V – Definitions, Subparagraph 9.f.** of “Insured Contract” is amended by adding the following:

(4) That provides indemnity and/or defense of any person or organization for their sole negligence or regardless of fault.

2. **Section V – Definitions, Subparagraph 13.** is deleted and replaced by the following:

13. “Occurrence” means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. However, this definition does not include any occurrence which commenced prior to the effective date of this policy.

3. **Section V – Definitions,** is amended by adding the following:

“Insured” means any person or organization qualifying as an insured under **Section II — Who Is An Insured** in the Coverage Part along with any additional named insureds and/or additional insureds whether by endorsement, under an “insured contract” or otherwise and all other parties seeking insured status.

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION — INJURY OR DAMAGE FROM  
EARTH MOVEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury," "property damage," "personal injury" and "advertising injury" (or "personal and advertising injury" if defined as such in your policy) arising out of, caused by, resulting from, contributed to, aggravated by, or related to earthquake, landslide, mudflow, subsidence, settling, slipping, falling away, shrinking, expansion, caving in, shifting, eroding, rising, tilting or any other movement of land, earth or mud.

GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION - DAMAGE TO WORK PERFORMED BY  
SUBCONTRACTORS ON YOUR BEHALF**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Exclusion I. of **Section I. – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**I. Damage To Your Work**

“Property damage” to “your work” arising out of it or any part of it and included in the “products-completed operations hazard”.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – DESIGNATED WORK

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

**Description of your work:**

1. The design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction or replacement, of an "exterior insulation and finish system" (commonly referred to as synthetic stucco) or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system.
2. Any work or operations with respect to any exterior component, fixture or feature of any structure in an "exterior insulation and finish system" is used on any part of that structure.

This exclusion applies to "your work" described in Paragraph 1. or Paragraph 2. above performed by you or on your behalf.

For the purposes of this endorsement, an "exterior insulation and finish system" means an exterior cladding or finish system used on any part of any structure and consisting of:

- (a) A rigid or semi-rigid insulation board made of expanded polystyrene or other materials, and
- (b) The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate, and
- (c) A reinforced base coat, and
- (d) A finish coat providing surface texture and color.

This insurance does not apply to "bodily injury" or "property damage" included in the "products/completed operations hazard" and arising out of "your work" shown in the Schedule.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or

- b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IL 00 21 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

## 2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ASBESTOS EXCLUSION**

This endorsement modifies insurance provided under the following:

Businessowners Liability Coverage Form  
Commercial General Liability Coverage Part  
Pollution Liability Coverage Part  
Products/Completed Operations Liability Coverage Part

The policy does not apply to "bodily injury," "personal injury" (or "personal and advertising injury" if defined as such in your policy) or "property damage" (including any associated clean-up obligations) arising out of the installation, existence, removal, or disposal of asbestos or any substance containing asbestos fibers.

COMMERCIAL INTERLINE

## **AUTOMATIC TERMINATION ENDORSEMENT**

The billing statement for this policy has been sent directly to you for payment. Failure to pay the required premium amount by the due date means that you have not accepted our offer of coverage and this policy will cease as of the effective date.